



# THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000

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KSE/N-2555

Dated: April 20, 2005

## NOTICE FOR ALL MEMBERS

Reproduced hereunder the letter No. KSE/SECP/3596 dated April 20, 2005 addressed to Dr. Tariq Hassan, Chairman, Securities & Exchange Commission of Pakistan by Mr. Moin M. Fudda, Managing Director. Also attached the representation received from the Members of the Exchange for information.



## THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

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SECP/3596

Ref. No. KSE/

### MOST URGENT

April 20, 2005

Fax # 051 - 9205692

**Dr. Tariq Hassan Esq.**  
Chairman  
Securities & Exchange Commission of Pakistan  
NIC Building, Jinnah Avenue, Blue Area  
ISLAMABAD

Dear Sir,

**Subject: Phasing-Out of COT with Margin Financing**

Kindly refer to recent exchange of correspondence between KSE and the Commission, on the above subject.

In this respect, a short while earlier, the management of the Exchange received a written representation from more than 75 members of the Exchange, a copy of the same is enclosed herewith.

The management wishes to submit to the esteemed Commission that though the condition of freezing COT positions on April 29, 2005 as contained in the revised structure of COT phase-out (SECP letter No. SMD/SE/2(20)2002 dated April 18, 2005 & KSE Notice No. KSE/N-2460 dated April 19, 2005) was agreed & consented by the KSE delegation, authorized by the Board; nevertheless its repercussions on the market were not fully contemplated at that time. The same has been reflected in the above-mentioned members' representation.

While taking this opportunity, we submit that, to-date, 22 scrip have already been phased-out smoothly & efficiently, whereas the remaining 07 are blue chip & comparatively have higher turnovers and positions in Ready as well as COT